

Message

From: Lopez, Peter [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=B7B64B3B2F984708840A5F342309D460-LOPEZ, PETE]
Sent: 7/20/2018 1:57:07 PM
To: Mears, Mary [Mears.Mary@epa.gov]
CC: Rodriguez, Elias [Rodriguez.Elias@epa.gov]; Kluesner, Dave [kluesner.dave@epa.gov]; Story, Karen [Story.Karen@epa.gov]
Subject: Re: MEDIA INQUIRY FOR APPROVAL: Lime Tree Bay Media Inquiry

Hi Mary.

Perfect. Thank you.

Sincerely,
Pete

Sent by Pete Lopez
Regional Administrator - R2
US E.P.A.
290 Broadway
New York, NY 10007
(212) 637-5000

Personal Matters / Ex. 6

On Jul 19, 2018, at 5:18 PM, Mears, Mary <Mears.Mary@epa.gov> wrote:

Hi Pete,

I mentioned this one earlier today. Sorry to keep piling it on. We'd love to get this one to HQ tomorrow morning as early as we can, as the reporter's deadline is noon tomorrow and we will also have to get OPA, Office of Air and Radiation, and OECA approval due to the complexity.

STATUS: Open

INQUIRY RECEIVED ON: July 17

Deadline: July 20 noon

PAD CONTACT: Elias Rodriguez

Reporter: Brian O'Connor, Reporter, Virgin Islands Daily News, Office: (340) 714-9130, boconnor@dailynews.vi Note: This reporter is familiar with and has closely covered the former HOVENSA site and related legal developments.

Question(s) from reporter and Proposed Responses:

I'm broadly interested in the HOVENSA site over on St. Croix.

EPA has a strong partnership with the USVI government and works collaboratively on the environmental stewardship of the Virgin Islands. EPA continues to monitor

developments at the former HOVENSA facility. EPA remains committed to working with our territorial, community and business partners to safeguard human health and the environment while being sensitive to economic needs.

(1) First, was HOVENSA able to complete the \$700 million mandate in their Clean Air Act consent decree prior to closure? Would a potential restart of the refinery under a different company create a material liability for the new operator? Or would we start over again in the enforcement and monitoring phase?

When the HOVENSA facility idled in 2011, most of the work, referred to as injunctive relief, required by the Consent Decree (CD) had not yet been completed. Injunctive relief was anticipated to result in expenditures of approximately \$700 million. The CD and documents filed in HOVENSA'S bankruptcy action require the new owner to become party to the Consent Decree and transferred Consent Decree obligations relating to the purchased assets to the new owner. Following purchase of the facility, Limetree Bay Terminals commenced discussions with the Department of Justice and EPA.

In late 2017, Limetree Bay Terminals contacted numerous EPA offices, including the Office of Air and Radiation to ascertain the Agency's position on several projects they were contemplating. A March 13, 2018 EPA guidance memo addressed one of the issues Limetree Bay Terminals raised regarding on how to determine increases and decreases in emissions from a project to determine whether the project is subject to new source review. On April 5, 2018, EPA Assistant Administrator Wehrum responded to other permitting issues raised by Limetree Bay Terminals. Since that time, the VI has issued an authorization to construct for the restart of some of the idled refinery units and a Coastal Zone Management permit for the Single Point Mooring Project, a dock system and associated loading terminal.

(2) Second, could I obtain a copy of the most recent version of the RCRA permit from you guys? I notice on the EPA website detailing the ongoing hazardous substance mitigation efforts, the most recent two-year report is from 2015. What's the status of the 2017 report?

EPA's permit covers groundwater remediation and an above-ground remediation technology for soil that reduces concentrations of petroleum constituents through biodegradation, which is called landfarming. A RCRA permit was been transferred from HOVENSA to the Environmental Response Trust (ERT), which is implementing the RCRA permit, under EPA oversight. The permit and related documents can be found using the link below. The link provides the Part B Permit, the recently approved modification to the Permit, the request to transfer the Permit to the ERT, and the most recent submittals of monitoring reports:

https://www.dropbox.com/sh/vvf8fmlpo0h2dmy/AAAU_7ruRoCgWnSzRKuzMd3sa?dl=0

The 2017 Biennial Reports for RCRA facilities were due to EPA in March (and EPA did receive the report from ERT), but the reports for 2017 are not yet posted to the web, as they first undergo a review from EPA and then are uploaded into the [national database](#), which is a process that takes some time.

(3) How was the site impacted by Irma and Maria at all? I previously reported concerns about an active asbestos dump on the Limetree terminals premises.

Hurricane Maria impacted draining in landfarm areas of the former facility. The ERT has completed draining the landfarms. The ERT has successfully returned to operation all of the recovery pumps that had been affected by the hurricane.

The Limetree Bay Terminals facility is regulated by EPA under the National Emissions Standards for Hazardous Air Pollutants (NESHAP). Abatement of asbestos-containing material at the facility is managed by the facility, by workers trained and certified to perform asbestos abatement work. EPA was informed by the facility that during the hurricanes, Limetree Bay sustained some damage to insulation of pipes and other process equipment. Although the damage was not a true "asbestos renovation or demolition" under NESHAP, since the amount of asbestos debris caused by Hurricane Maria was larger than the regulated amounts associated with NESHAP (greater than 160 linear feet), it was subject to the asbestos NESHAP work practice requirements for handling and disposing of the debris properly. The requirements ensure that the debris is kept wet and bagged in a leak-tight bag, and disposed at an asbestos regulated landfill. Lime Tree Bay sent the asbestos-containing material to the mainland to be disposed of at landfills that accept such waste. An EPA On Scene Coordinator did a post-hurricane assessment at the facility and did not observe the presence of any asbestos-containing material.

Lastly, for the latest on-the-ground information re all activities occurring at the former HOVENSA facility, please refer to the U.S. Virgin Islands Department of Natural Resources. You can reach media relations at 340-773-1082 jamal.nielsen@dpnr.vi.gov